



REPUBLIKA E SHQIPËRISË
ENERGY REGULATORY AUTHORITY
BORAD

DECISION

No. 272, Dated 27.10.2022

ON

**OPENING THE PROCEDURE TO APPROVE THE ELECTRICITY MARKET RULES
(ALPEX RULES DEFINITIONS, TRADING PROCEDURE AS WELL AS THE
PROCEDURE OF KIERING AND REPAYMENT)**

Based on article 16, article 19, point “a” and article 98 of Law no. 43/2015 “On Power Sector” as amended; as well as article 26 of the Regulation for ERE Organization, Operation and Procedures, approved with ERE Board decision no. 96, dated 17.06.2016; ERE Board on their meeting dated 27.10.2022 after reviewing the report Protocol no. 1829, dated 17.10.2022 prepared by the Technical Directorates “On opening the procedure to approve the electricity market rules (alpeX rules definitions, trading procedure as well as the procedure of kering and repayment) and also the annulment of the trading rules, general terms, approved with ERE Board decision no. 214, dated 28.12.2017”,

Observed that:

- ERE Board with decision no. 214, dated 28.12.2017, decided the approval of the "Rules of the Albanian electricity market and the participation agreement in the Albanian Power Exchange", where in point 2 of the decision, it is determined that: *"These rules shall enter into force with the applicable to the Market Model, at the moment of the start of the work of the Albanian Power Exchange, as provided for in point 8 of Council of Ministers decision no. 519, dated 13.07.2016"*.
 - Council of Ministers Decision no. 519, dated 13.7.2016, "On the approval of the electric power market model", in point 8 determines that: " Organised Market Model, as defined in this text, shall be applicable at the time of the work commencement of the Albanian Power Exchange.
 - ALPEX company with the beginning of 2021, began its work on the preparation of the terms of reference for the selection of the Service Provider with the assistance of USAID. At the end of 2021, the selection of the Service Provider was achieved with the winning combination of operators led by the Athens Stock Exchange "Hellenic Exchanges - Athens Stock Exchange company", the Group of the Greek Power Exchange with its two companies "Hellenic Energy Exchange company" and "Enex Clearing House company"
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- ALPEX company benefiting from the experience of the service provider with official letter Protocol no. 201 dated 29.08.2022, submitted at ERE: "Proposal for the annulment of the document Trading Rules - General Terms, approved with ERE Board decision no. 214, dated 28.12.2017 and the approval of the documents that make up the entirety of the governing rules of ALPEX company”.
 - In the official letter Protocol no. 201 dated 29.08.2022 ALPEX company informs that the preparatory phase of these documents has been long and very inclusive. During this period to make the Albanian Power Exchange functional, ALPEX company held ongoing consultations with the interested parties, such as: energy market participants, ALPEX consultants, power sector reform consultants at the Ministry of Infrastructure and Energy (MIE) and ALPEX Service Provider.
 - In this consultation process, it is emphasized the need to revise the existing trading rules and to accommodate all the developments that the organized wholesale electricity market has undergone in the countries of the European Union, both for regulatory and technical issues. From the consultation with the above-mentioned parties, the conclusion was reached about the need to draft a new set of rules, which reflect the market changes and best adapt the model that the Service Provider has implemented in its market, in accordance with the model of the Transmission System Operator (TSO) of electricity in Albania.
 - The above-mentioned developments have dictated the request to revise the existing model of the electricity market, specifically in the parts related to the Power Exchange, and for this purpose ALPEX company informs that through official letter Protocol no. 179 dated 02.08.2022, submitted at MIE the request for some amendments to Council of Ministers decision no. 519, dated 13.07.2016.
 - As part of the consultation with the interested parties, ALPEX informs that it published these rules and procedures on the official website and sent them to the e-mail addresses of all participants of the electricity market and the main banks of the banking system. The purpose of the public consultation was to consider and accommodate the needs of market participants, in terms of the governing rules developed by ALPEX.
 - In the following, TSO company through official letter Protocol no. 5872 dated 26.09.2022, with the subject "On approving the Electricity Market Rules (ALPEX Rules, Definitions, Trading Procedure as well as Kiering and Settlement Procedure)", supports the proposal made by ALPEX company , for: *annulment of the document Trading Rules - General Terms, approved with ERE board decision no. 214, dated 28.12.2017 and the approval of the documents that make up the entirety of the governing rules of ALPEX company.*
 - TSO company. finds the proposals of ALPEX company based on law no. 43/2015, "On Power Sector" as amended, the Electricity Market Model approved with Council of Ministers decision no. 519, dated 13.07.2016, the Albanian Electricity Balancing Market Rules approved with ERE board decision no. 106, dated 02.07.2020 and the SEE CAO Auction Rules, which were approved with ERE board decision no. 197, dated 26.11.2020 “On approving the harmonized rules of the Interconnection Capacity Allocation for the auction coordination office in Southeast Europe (SEE CAO) for the borders Albania - Greece, Albania
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- Montenegro and Albania - Kosovo".

- TSO company has approved the proposals of ALPEX company through the vote of the members in the Supervisory Council of ALPEX company, appointed by TSO company as a shareholder of ALPEX company with decision no. 4, dated 25.08.2022 "On approving the Electricity Market Rules (ALPEX Rules, Definitions, Trading Procedure as well as Kiering and Settlement Procedure"
- TSO company in the quality of the shareholder of ALPEX company, requests the approval of the proposal of the Electricity Market Rules (ALPEX Rules, Definitions, Trading Procedure as well as Kiering and Settlement as these Rules constitute a very important step for the progress and smooth running of the process undertaken by ALPEX company in order to make the Albanian Power Exchange effective and operational, as soon as possible.
- ALPEX company with official letter Protocol no. 201 dated 29.08.2022 informs that it has completed the phase of consultations and the drafting of documents, the final variants of which were submitted at ERE with the aforementioned letter for review. These documentation drafts are estimated to be published in order to continue with the process of public consultation with the interested parties.
- In the meeting of the ERE board, dated 27.10.2022, Mr. S. S., representative of the Albanian Association of Electricity Suppliers, also participated and expressed his agreement on the initiation of procedures for their approval and conducting public consultations.

For all of the above mentioned, ERE Board

Decided:

1. To open the procedure to approve the Electricity Market Rules (ALPEX Rules, Definitions, Trading Procedure as well as Kiering and Settlement Procedure").
2. The Legal Directory shall inform the interested parties as well as the Ministry of Infrastructure and Energy (MIE), ALPEX company, TSO company about ERE Board decision.

This decision enters immediately into force.

Each party involved in this procedure can request ERE, within 7 calendar days from the date of the decision, to review the board's decision in case it has provided new evidence that could lead the board to make a decision different from the previous one or for detected material errors. This decision can be appealed to the Tirana Administrative Court, within 30 calendar days from the day of publication in the Official Gazette.

This decision shall be published in the Official Gazette.

ERE CHAIRMAN
Petrit AHMETI
